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It is my sincere belief that if the FBI were required to depart from its established policy in this connection all law enforcement would suffer from the resulting loss of confidence on the part of the public.

It is most encouraging to know that you concur with my views.

Sincerely yours,

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OFFICE OF

FLORIDA

March 31, 1950



Hr. J. Edgar Hoover, Director Tederal Europa of Investigation Washington, D. C.

Dear Mr. Hoover:

I have received from Ir. John K. Mumford, Special Agent in Charge, FRI, Mobile, Alabama, a transcript of your statement before the subcommittee of the Senate Committee on Foreign Relations March 27, 1950.

After carefully reading your statement I want to offer my endersement of your views as embodied in this statement.

I most emphatically subscribe to the recognized procedure of all duly constituted law enforcement agencies in that if an investigative body divulges the source of its information of a confidential nature, our entire system of investigation of crimes and apprehension of criminals will collapse. I believe that the bedrock of our National security rests on the citizens of our Nation who will aid us in the enforcement of their laws. If we are forced by legislative action to break confidences placed in us by these citizens, it will be a serious deterrent to enforcement of the laws by not only the FBI, but all law enforcement agencies.

Again expressing my approbation for your stand in this matter, and wishing you success in defending it, I am,

of John K. Mumfor RECORDED. 81

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Office Memorandum • united states government

: Ir. A. H. Pelmont al?

DATE: March 31, 1950

FROM : It. C.- H. Stanley

SUBJECT: COMMUNIST IN THE STATE DEPARTMENT

(Hames furnished to Tydings Committee by

Senator IcCarthy)

LOYFLTY OF COVERNEENT EMPLOYNES

PURPOSE:

To advise you that the ten individuals on whom the Eureau has conducted no investigation, who were formerly employed by the State Department and appear on Senator EcCarthy's list, are not presently employed in the Executive Eranch of the Federal Government according to the records of the Civil Service Co. mission.

BACKGROUND:

You will recall by memorandum of March 28, 1950 the Director was furnished an analysis of the Eureau's files on the 81 cases furnished to the Tydings Committee by Senator LcCarthy. It was pointed out that in ten of the cases the Bureau had conducted no investigation but that the individuals involved were no longer employed by the State Department and there was no indication in Bureau files that they were employed elsewhere in the Government. On March 29, 1950 WFO was telephonically instructed to make a check with the Civil Service Commission to verify that these ten individuals are not employed in the Federal Government at the present time.

of the NFO telephonically advised me on March 30, 1950 Supervisor that, according to the records of the Civil Service Commission, none of these ten individuals are presently employed in the Executive Branch of the Government. The ten individuals in question are listed as follows, together with the case number by which they have been described by Senator McCarthy:

Case No. 4 -Case No.10 -VCase No.17 Case No.18 Case No.20 -Case No.30 -Case No.35 -Case No.42 -Case No.73 Case No.76

Concerning the Civil and the name Service records contain no information, not even a record of any previous employment of these persons by the Department of State. As to the other names, the records of

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the Givil Service Counission reflect previous employment of these individuals at the Department of State. However, in each case, the records show termination from the State Department and no information of subsequent employment in the Executive Branch of the Government.

In addition to the above checks at the Civil Service Commission, the Washington Field Office has also checked the records of the State Department in order to ascertain whether its records reflect a transfer of any of these individuals to another Government agency. As to the name the State Department records fail to reveal any person by that name ever being employed. Regarding the records indicate this person was an applicant for a position in the State Department but was never actually employed. The records at the State Department on the remainder of these individuals reflect only their employment at the State Department and do not indicate any transfer of either the individual or the individual's file to any other Government agency subsequent to their termination at the State Department.

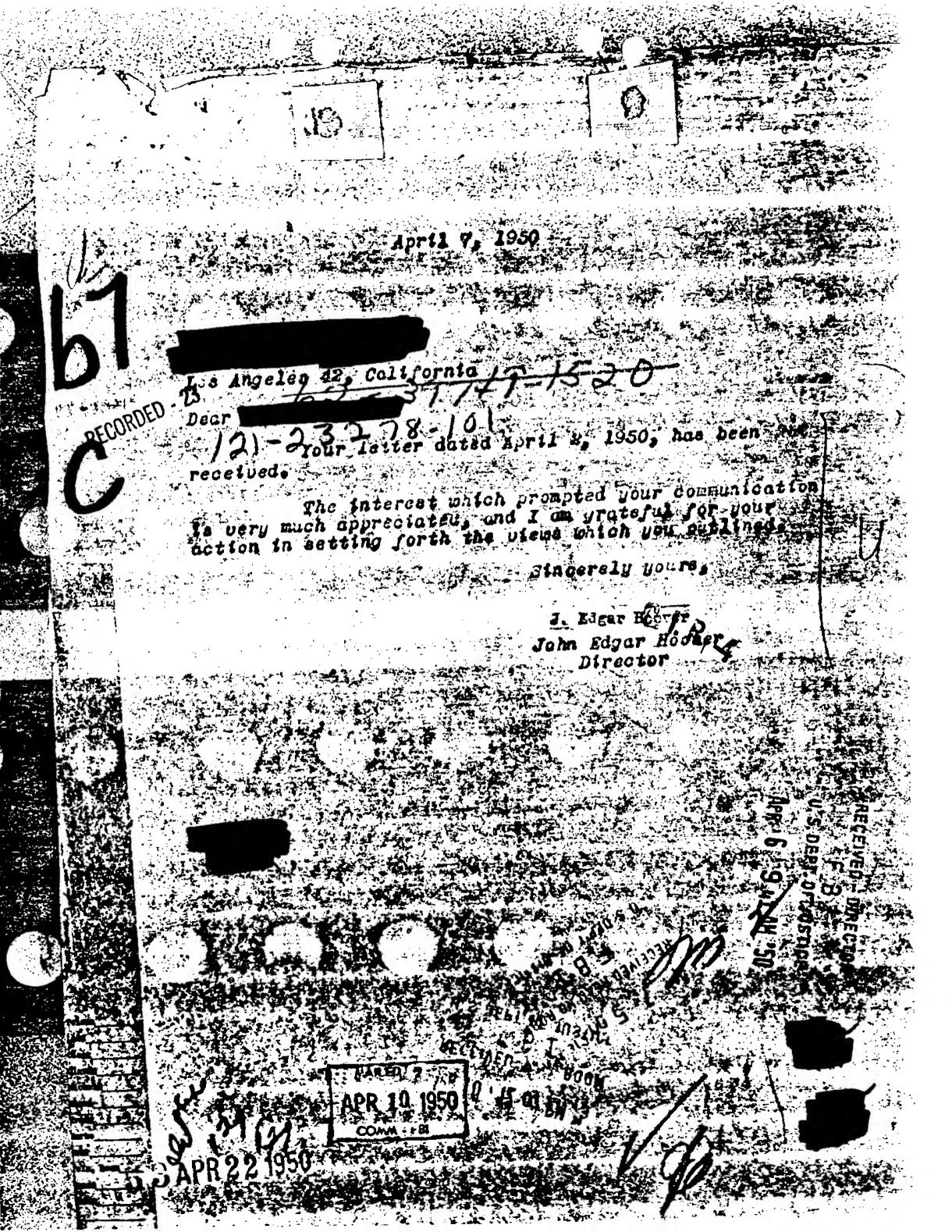
ACTION:

dum to the Director dated March 28, 1950 to reflect that CSC records do not show the ten individuals in question to be presently employed in the Government.

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Spin and the word the Roman With Sine Commen, then his offert our Per lun Cuit and sendly works and along lives of the 7112).) The such information is the short la 711- de procon te the who would, 5 think to, the super of quilier accord the ties always la Commission this men till the 1 Junt Math, Haring C-time Provent my mind The feather to be in a postion to de chis cante how as he in doing salow, der des Read Published & Dolo Paris Und Week. The as the about to Maw him or any and else the lette



Los Angeles 42, Calif.
April 2, 1950

Mr. J. Edgar Hoover Federal Bureau of Investigation Washington, D. C.

Dear Sir:

Because of a deep concern over the investigations being made of the State Department by several members of the Senate. I am aking the liberty of writing this letter setting forth a few ideas which I offer for your consideration. Anyone reading recently of Sen tor McCarthy's charges against the State Department is of necessity forced to do some pretty deep thinking over the motivations involved in those charges. I should like to say at once that I personally do not feel that those charges are motivated by a Republican effort to discredit the present administration, since this is the most obvious explanation. The actual motivations are probably concealed to an extent I cannot imagine, but I should like to make a few guesses:

Taking into consideration the long term view that the Communist Party has always held in making its plans for the future, it would seem perfectly possible that the information being used could be from a Communist source. There are a great many nations in the world who are at the present time wavering between alliance with the Western powers and the Soviet State. Nothing could be more fortutious to Russia than for the assurances given by our State Department to these waverers to appear to be without any weight at all. even if it meant the raising of a "red menace" in this country. I know it seems odd that information being used by Republican % members of the Senate could be of Communist sources, but what could be more useful to the Communists than a person apparently... above suspicion. Because of the complete absence of any suspicion of Communist influence in the Republican Party, I should say that this would be a most fertile ground for an adroit agent of Russia, especially when he would be associating with people who are very eager to charge that Communism influences the administration. Such an agent could by furnishing information, true or untrue, create just the sort of crisis which exists now, thereby alienating our allies, encouraging to wavering nations to enter the Soviet sphere. and embarrassing our Government both at home and abroad.

2. At the same time, one must never forget that under the guise of a great crusade against one evil 1

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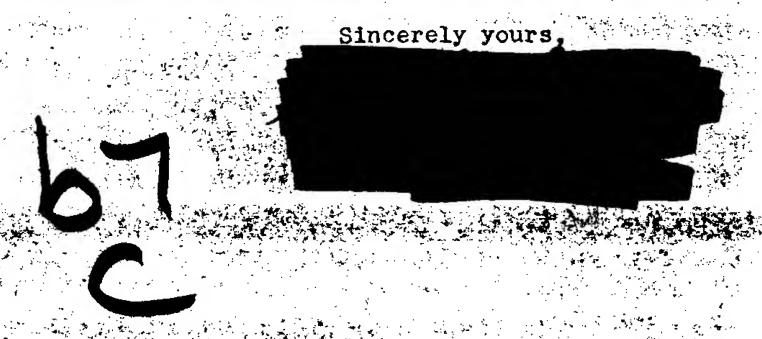
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is very easy for another evil to slip in. It would be a simple matter indeed for a Facist group to use the present hue and crv against Communism as a means of getting people who are like minded into public office by making charges of Communism against people who oppose them. It could even be that such people would use a "front man" supplied with half truths in an effort to discredit their opposition. Such a group, however, would have to be in a position to influence the people who would make the appointment of replacements were they successful in having the "opposition" removed from office.

tigation to my mind are the charges of homosexuality against members of the State Department. Similar technique in recent history has always been the forerunner of efforts of a minority group to seize power or positions of power in the Government. The charge of homosexuality itself, being so repugnant to the American mind and being such an indefensible position for the accused appears to be the result of careful planning rather than the exploiting of a perhaps existant fact. The technique has so often been used by both Communists and Facists that both possibilities should be very carefully considered.

4. Summarizing these guesses, it would seem to my mind that there should be certain courses of action. First, that the sources of information used by Senator McCarthy be very carefully checked for Communistic or Famistic leanings or are in fact an agent of the Soviet Government; secondly, whether Senator McCarthy is making these charges and pushing this investigation under any form of duress; and third, whether the sources of information have any connection, however remote, with the people who can influence the appointment of public officers in the Government.

I hone these thoughts can be of assistance to you, although you have, undoubtedly, already given them your attention.



Office Memorandum • united states government

TO : THE DIRECTOR DATE: April 4, 1950

TRUT

Tele, Roce

: D. M. LADD

Emmuruto 2, the SUBJECT: PROPOSED STATEMENT BY CHAIRMAN, STATE DEPARTMENT LOYALTY BOARD

BEFORE TYDINGS COMMITTEE

LOYALTY OF GOVERNMENT EMPLOYEES

Attached is a copy of a statement which is to be made by Mr. Attached Snow, Chairman of the Loyalty Board of the Department of State, before the (Subcommittee of the Senate Foreign Relations Committee (Tydings Committee) tomorrow morning (April 5, 1950).

This statement was furnished to Mr. Roach of the Bureau confidentially

who suggested that Mr. Roach review it and if anything in the statement was objectionable from the Bureau's standpoint, he, would do everything in his power to have appropriate deletions and/or corrections made. told Mr. Roach that it was necessary for him to have the attachment returned to him as soon as the Bureau had an opportunity to review it. Copies have been made for the Bureau's records and they are attached for your information.

Generally, the statement of Mr. Snow relates to the organization and responsibilities of the State Department's Loyalty Security Board, setting forth its authority for considering cases under both Executive Order 9835 and the summary power of dismissal vested in the State Department by the so-called McCarran Rider. In the latter part of this statement Mr. Snow discusses the eighty-one cases mentioned by McCarthy. He mentions no names but does quote some figures which are in consistant with the analysis of these same cases by the Bureau.

Specific comments of Mr. Snow in the attached statement which do bear upon the Bureau and which might possibly create an erroneous impression as to the Bureau's operations are discussed separately hereafter.

Mr. Snow States:

On page 7 in commenting on the Bureau's full field investigations, Mr. Snow states that everything they say is put down - whether it bears on loyalty security, morality or even fitness for employment." RECORDED - 22

Comment:

Investigations conducted under the Loyalty Program are confined to the issue of loyalty unless information relating to morals is volunteered by witnesses interviewed during the investigation. No comment is ever made in a loyalty investigation as to a man's fitness for employment. A distinction should be drawn here in that the Bureau, in addition to conducting loyalty investigations for the State Department, does also conduct investigations under Public Law 402, 80th Congress, which do include comments concerning character and fitness for employment. However, Mr. Snow makes no distinction here and the implication is that loyalty investigations include in ever instance material relating to morality and fitness for employment.

Mr. Snow States: -

On page 11, paragraph 1, Mr. Snow states, "If there are any Communists in the State Department, the FBI have not discovered them and the Loyalty Security Board is uninformed of their existence."

Comments:

No distinction is drawn between persons presently affiliated with the Communist Party and those where information has been developed of past affiliation with the Communist Party. Estatement of Mr. Snow appears to place the responsibility of the failure by the State Department to dismiss any undesirable employees on the FBI.

Mr. Snow States:

Page 11, paragraph 2, Mr. Snow here is discussing the 81 cases named by Senator McCarthy. He states, "I do not know how many of those 81 were ever employees of the Department, but only 38 of them ever came before the Loyalty Security Board. If the other 45 cases were employees of the Department, no derogatory information regarding them has yet come into the possession of the FBI so as to occasion a full field investigation, unless such investigations are pending or incomplete. I mean by this that the FEI have not passed to the Department any reports on these 45 cases."

Comments

Obviously Mr. Snow as a representative of the State Department does know how many of the 81 individuals named by McCarthy are still employed by the State Department. By not showing specific figures as to those employed by State and those not employed by State, Mr. Snow leaves the impression that the Bureau has been derelict in its duty with respect to the "other 45 cases."

It is suggested that Mr. Snow's comments be clarified to show how many of the 81 cases are still employed in the State Department and that he clarify these figures in order to show a true picture. It is noted in this connection that in 14 cases of the 81, we have conducted Voice of America investigations which apparently are not included in Mr. Snow's comments.

ACTION

It is recommended that Liaison point out the possible misleading comments mentioned above since the State Department may desire to clarify them.

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he has assured Ture Reach they evill the deleted from the

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Mr. Chairmans

chairman is the organ of the Department to which are referred all reports
from the FBI of full field investigations of Department employees, for
determination as to loyalty and security risk. Its decisions are postaudited by the Loyalty Review Board, of which Mr. Seth R. Richardson is
Chairman, and to that Review Board go appeals from adverse decisions of the
Loyalty Security Board. Both Boards are part of the President's Loyalty
Program, initiated on Merch 21, 1947, by Executive Order 9835.

The purpose of Executive Order 9835, was stated to be; to assure

(a) that persons employed in the Federal service are of complete and

uneverving loyalty to the United States; (b) that the United States afford

maximum protection against infiltration of disloyal persons into the ranks

of its employees and, at the same time, that (c) there be liven equal pro
tection to the loyal employees of the United States from unfounded accusations

of disloyalty.

The Executive Order itself stated the standard for the removal from employment of an employee on grounds relating to loyalty, which such applied by both loans to the standard to be evidence, reasonable grounds exist of belief that the person involved is disloyal to the overnment of the bottes that the person involved is disloyal to the overnment.

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and associations, which, if present, may be considered in connection with the determination of disloyalty. They are:

- (a) Sabotage or espionage, or knowingly associating with spies or saboteurs;
 - (b) Treason or sedition, or advocacy thereof;
- (c) Advocacy of revolution, or of force or violence to alter the constitutional form of Government of the United States;
- (d) Intentional unauthorized disclosure of documents or information of a confidential or non-public character obtained as a result of employment by the Government of the United States;
- (e) Performance of duties, or otherwise acting, so as to serve the interests of another Government in preference to the interests of the United States;
- any organisation or group of persons, which has been designated by the Attorney General as totalitarian, fascist, communist, or subversive, or as having adopted a policy of advocating or approving violence, either to deny to other persons their rights under the Constitution, or to seek to alter the form of Covernment of the United States.

Some of these activities, were we to find them, would by their very definition necessarily involve disloyalty to the inited States, - as to rit; esplonage, treason, sedition, revolution. Some of the associations, an the niter hand, are only evidence on the issue of disloyalty. The President, for instance, in a statement to the Press of Sovember 14, 1947, said with reference to the attorney General's list; "Membership in an organization is simply one price of evidence which may or may not be halpful in arriving at a conclusion as to the action which is to be taken in a particular case." This was reaffirmed by the Attorney General, who added that "Quilt by especiation has never been one of the principles of American jurisprüdence."

not applicable to membership in the Communist Party. Under the Ratch Act,
Section 9A of August 2, 1939, it is unlawful for any Federal employee to have
membership in any organization alvocating the overthrow of the Constitutional
form of Government of the United States. On February 5, 1941, under Premitive
Order 9300, — four years before Executive Order 9835, the Department of
Justice disseminated emong Government agencies a liet of organizations which
were subversive under the terms of the Hatch Act. This list included the
Communist Party of the U.S.A. This was reaffired by the Attorney General
on May 27, 1948, Accordingly, were the Loyalty-Security Board to 1nd 15
the Department of State a member of the Communist Party his temperating gold

not be merely evidence of disloyalty; the dismissal of that employee would be mandatory.

Acting under Executive Order 9835, after appropriate investigation, the Attorney General, on Europher 24, 1947, transmitted to the Loyalty Review Board, a list of erganizations which was disseminated to the Dopartment on December 4, 1947. An additional list was disseminated on May 28, 1948; and on September 21, 1948, the Attorney Coneral furnished a consolidated list wolch contained the names of all the organizations previously designated, and sagregated into categories as totalitarian, fuscist, communist, surversive, advocating force or violence to dery others their constitutional rights, or seeking to alter the form of Government of the United States by unconstitutional These lists include all the so-called "front organizations", generally designed to trap the unwary liberal-mirded individual, and not all by any means either infiltrated or controlled by communists from the outset of their existence. I hention this particularly because in considering morbership in affiliation with, or sympathetic association with such organizations, the Boards have to take judicial notice of the fact that the disracterization of those organizations by the Attorney Conerch was first publicised to the employeds of the Department, in some deses on Forember 26, 1947, in other case he late the mit out of the pas therefore to be sometimed at the spection as evidence of disloyalty or of scourity risk.

Loyalty Program was complicated by the fact that the Secretary of State has been granted by Congress, in the so-called Escarran Elder of the 79th Congress, and repeatedly in subsequent appropriation lets, the power in his absolute discretion to terminate employment whenever he shall does such termination necessary or advisable in the interest of the United States. This power of museary discussed is the basis of the right of the Secretary to dismiss on account of security risk, without having to resert to a determination, that on all the evidence reasonable grounds exist for belief that the employee is disloyal,

bafors the organization of the Loyalty Review Board, the Secretary of State,
Ceneral Marshall, on July 9, 1947, appointed a Personnel Security Board, of which
I was appointed Chairman, and Maynard Bernes and Darrell St. Clair sembers.
Both of the latter two have since left the Department, but only after a conmiderable service on the Board. The Secretary also designated from dategories of
amployees as security risks to with

or selltion, or whi is a member of alfiliated with on it sympathetic association with the Communist, Mazi or Fastist Party, or of any party which seeks to alter the form of Government of the United States by unconstitutional means, — or a person who consistently believes in or supports the ideologies and policies of such a party.

- (b) A person who is engaged in espionage, or who is acting directly or indirectly under the instructions of a foreign government, or who deliberately performs his duties or otherwise acts to serve the interest of another government in preference to the interests of the United States.
- (c) A person who has knowingly devulged placetified information without authority and with the knowledge or belief that it will be transmitted to agents of a foreign government, or who is so consistently irresponsible in the handling of classified information as to compal the conclusion of extreme lack of care or judgment.
- (d) A person who has habitual or close association with persons known or believed to be in categories (a) or (b) to an extent which would justify the conclusion that he might, through such association, divulge such classified information without authority.

Under these sequrity principles of the Department of State, adopted in 1947, it will be seen that the Personnel Security Board had to apply/standard much stricter than those prescribed for the Loyalty Program. Sot only Communists were proscribed as security risks, or persons affiliated with, or is sympathetic association with the Communist party, or she consistently believed in security supported the ideologies and policies of the communist Party, but swen persons was held habitant as show association with the lower persons conclusion that they sight voluntarily or involuntarily divulge classified information without authority.

The President's Loyalty Program was put into effect on December 17, 1947, by the issuance by the Loyalty Review Board, under Seth W. Richardson 22. Chairman, of five directives, one requiring the establishment of Departmental Loyalty Boards, and four regulating the initial consideration of loyalty cases by such Boards, the memor of conducting hearings, and the determinations by the Boards and the matter of appeals from their decisions. The State Department promptly followed suit, by adopting the Loyalty Standards of Executive Order 9815, and transforming the Personnel Security Board, with the same membership, into the Loyalty Standards of the Department of State.

The Loyalty Security Found is not an investigatory body. It performs a judicial function, and the basis for action on its part is always a report from the FBI. The FBI, in its mana check of all the employees of the State Department, has found itself in possession of certain derogatory information regarding an employee, and has consequently conducted a full field investigation and submitted its report to the Department. The report is exceedingly complete in most cases, — it covers the life history of the employee, from his college days and in some cases high school days to the present. Every one who remains the employee, and many who don't, has been contacted, — neighbors, teachers, friend enemies, and associates. Everything that say is put down, — whether it bears on loyalty, security, morality or even fitness for amployment. Not of the

information

part of the sitnesses refuse to sign statements or to appear before a loyalty board. Many of the sitnesses are anonymous to the Board, and are designated in the report simply by letters and manners, with some suggestion either that their reliability is unknown, or has hitherto been found to be reliable. The good is reported as fully as the bad. The report, of course, particularly in the field of association with other persons, contains demogatory information regarding these other persons, with supporting testimony. The reports are completely objective; — they make no attempt to evaluate the information, demogratory or otherwise, and draw no conclusions on the evidence.

and are at once passed to a panel of 3 out of the nine musbers of the Board. Fach member of the panel reads the report by himself, and makes up his own mind as to the action indicated. Then a meeting of the panel is held, and, under the Regulations of the Loyalty Review Board, the Board may come to any one of four conclusions:

- (a) It may conclude that in come respect the FM report is incomplete, and refer the report back to the FM for further investigation:
- (b) It may direct a written interrogatory to the Employee, but may not question him otherwise:
- (c) It may make a finding olearly favorable to the employee. Because of the full sature of the PHI reports this is possible in a large proportion of the cases;

(d) It may

in writing stating the charges in factual detail. These-written-charges-are generally-amplified-orally-by-the-legal-office-of-the-Beardy-so-as-ta-enable-the-employee-is-prepare-bis-defence. The employee, either in writing or orally, is informed of the names of all organizations with which he is accused of having been connected, and of all persons with whom he is charged with associating.

In case the panel decides to make charges of disloyalty or of security risk the employee is entitled either to reply in writing or to have an administrative hearing, at which he may appear personally, be represented by counsel of his own choosing and present evidence. If a hearing is required, he one is present beside the Board, its legal officer -- Mr. Allen B. Horeland -- the stenographer, the employee, his counsel, and the witness who is testifying. A complete transcript is made of the hearing, and is added to the file in the case. The Board presents no evidence on behalf of the charges, since the VEI file is considered part of the case, even though it cannot be shown to the employee or his counsel. Any adverse witnesses who have stated willingness to appear before a Loyalty Board are invited to attend and testify, but they rarely do, and the Board has no power to summon or no money to pay expenses of witnesses. The Board is required and makes every effort, to conduct the hearing with fairness, impartiality and cooperativeness. It is an impressing a board a proceeding.

After the hearing, the panel meets in Executive session, with-its-legal efficient, to decide the case. The regulations require that in its determination it shall state merely the action taken, which may be either to clear the employee or that on all the evidence, reasonable grounds exist for belief that the person is disloyal, or to recommend dismissal as a security risk. If the decision is adverse the employee has an appeal to the Secretary of State or to a person designated by him. The Board has never been reversed on appeal.

Every loyalty determination by a panel of the Board goes up to the Loyalty
Review Board for post-audit. The Review Board permits itself any one of four action

- (a) It may affirm the determination of the Loyalty Security Board.
- (b) In case the Loyalty Socurity Board has decided the case without a preferring charges it may remand the case for charges and a hearing.
- (o) In case the Loyalty Security Board has decided the case without interrogation it may remand the case for an interrogatory.
- of the Loyalty Security Board.

Since 1947 the Loyalty Security Board of the State Department has determined 245 loyalty cases; 31 per cent of the cases have been post-audited by the Loyalty Review Board. Out of the 199 cases post-audited, three cases have been remanded for an interrogatory, two cases have been remanded for a hearing, and so cases have been reversed. The Board has held 36 hearings. It has found three employees by be security risks; seven have resigned rather than face hearing.

have

I have served continuously as Chairman of the Board, and have participated as a member of the panel in 68 per cent of the cases. I have sa hearings. I have tried to give every case my rost careful and judicial considers tion; I am sure that the other members of the Board have done likewise. If there are any communists in the State Department, the FBI have not discovered them and the Loyalty Security Board is uninformed of their existence.

I come now, Mr. Chairman, to the 81 cases named by Sonator Eccarthy. I se not know how many of those El were ever employees of the Department, but only 58 thom ever seme before the Loyalty Security Board. If the other 45 cases pers employees of the Department, no derogatory information regarding them has yet com into the possession of the FBI to as to occasion a full field investigation, unles such investigations are pending or incomplete. I mean by this that the PBI have to passed to the Department any reports on these 45 cases

Of the 38 cases on which the Board did recoive reports from the PBI, 27 men cleared by the Loyalty Security Board, 10 after charges and hearing, and 17 withou charges or hearings This means that in 17 of the 27 onses the Clien taken as a did not contain, in the orinion of the deciding renel, sufficient derogetory infor tion to morit charges, and that in 10 of the 27 cases the derogatory information was, in the opinion of the hearing panel, fully and satisfactorily explained was and the 24 decis hearing. Of these 27 cases, 24 have been post-audited by the Loyalty Perior Board. In every case the post-audit sustained the loyalty Scourley Bond, stope that the business was remained for the last the loyalty Scourley Bond, stope that the business was remained for the last the loyalty and the loyalty stope that the business was remained for the loyalty stope that the business was remained for the loyalty stope that the business was remained for the loyalty stope that the business was remained for the loyalty stope that the business was remained for the loyalty stope that the business was remained for the loyalty stope that the business was remained for the loyalty stope that the loyalty stope the loyalty stope the loyalty stope the loyalty stope that the loyalty stope the loyalty

one of the 2 cases not yet finally post-audited was remanded to the Loyalty Security Board for a rationals of the reasons for the decision, because the vote of the panel to clear had been 2-1. The rationals was duly furnished, but the case has not yet been finally passed by the Review Board.

This leaves 11 of the 38 cases decided by the Loyalty Security Board. One of these was found to be a security rick, and was allowed to resign. Four resigned after charges preferred, rather than face hearing. Five, although cleared by the Loyalty Security Board, have since resigned or been terminated. One case is pending. This is the case of John Service, remanded by the Loyalty Feview Board to the Loyalty Security Found for a hearing on charges.

In other words, to summarize our trusteeship of the 3C cases mentioned by Senator McCarthy which have been made the subject of FBI investigations and have been before the Loyalty Security Foard of the State Department, — 27 have been cleared by the Board (10 after hearing) — 10 are no longer with the Department, and one case 18 pending. Only 3 of the 25 cases post-audited by the Loyalty Review Board have been remanded; — one for a rationale, one for interrogatory, and one for hearing. The Loyalty Security Board is proud of the fact that its decisions have been so uniformly sustained by the Review Board, and is not at all embarrassed by the fact that it now has one case to hear that it had previously cleared without hearing.

it would

It would not be appropriate for se to discuss the individual cases
mentioned by Senator McCerthy, in view of the fact that the President has
committed the entire list to the Loyalty Review Board for a re-review. Any
discussion by me or by my Foard would presume on this function of the Loyalty
Review Board.

Office Memorandum UNITED STATES GOVERNMENT DATE: April 5, 1950 THE DIRECTOR TO D. U. Local FROM PROPOSED STATEMENT BY CHAIRMAN, STATE DEPARTMENT SUBJECT: LOYALTY BOARD BEFORE TYDINGS COUMITTEE LOYALTY OF GOVERNMENT EXPLOYEES Janate Subcomme on forcegis Melation Concerning the attached comments on the State discussed these comments Department's proposed statement, and pointed out to him that some of with statements were not jactual; that others gave an improper inference a as related to the Bureau's work. stated he would delete from the prepared . statement all of the items we had commented upon, that they would not be in the statement when it was given by Mr. Snow to the Committee. A copy of the attached proposed State Department statement will be made for our records before it is returned to the State Department. advise a. g. hr Attachment 121-23278-103 RECORDED - 22

The Attorney General

Director, FBI

PROPOSED STATEMENT BY CHAIRMAN. STATE DEPARTMENT LOYALTY SECURITY BOARD, BEFORE TYDINGS COMMITTEE

LOYALTY OF GOVERNMENT EMPLOYERS

I thought you would be interested in the attached copy of a proposed statement which Er. Conrad E. Snow, Chairman, Loyalty Security Board, Department of State, was to use in an appearance before the Tydings Subcommittee of the Senate Poreign Relations Committee today. A copy of this proposed statement was furnished to the Bureau by the State Department last night with a suggestion that we review it and offer comments as to snything contained therein objectionable from the Bureau's standpoint. It was indicated that on the basis of such comments

You will note the statement generally relates to the operations of the Loyalty Security Soard of the State Department and the principles and standards upon which it doubtes cases submitted to the Board for review.

of page seven of the statement reference is rade to investigative. reports of the Fal. A concent is made in the last paragraph on this page. relating generally to interviews with witnesses, to the effect that "Everything" they day is put down, -whether it bears on loyalty, security, sorality or even fitness for employment." Investigations addicated by the Bureau under the President's Loyalty Order are confined to quistions of loyalty unless witnesses interviewed volunteer, on their own initiation, comments relating to the character. and morals of the individual under investigation, in which case such voluntary coments are reported. In no instance do we inquire into the individual's "fitness for employment" during a loyalty investigation. We do, of course, also conjuct investigations for the Department of State under the provisions of Public Law 402, 80th Congress (Voice of America) and during investigations conducted under this authority we do inquire into the individual's character, reputation, fitness for employment (as distinguished from qualifications for employment), as well as his loyalty. The profosed statement, however, deals generally with loyalty and the implication is the above quoted comment is that the FBI reports in question are reports of loyalty investigations conducted under the provisions of the President's Loyalty Order. With this in wind the comment, as contained in the proposed statewent, was misleading and was therefore pointed but as such to the State Department-

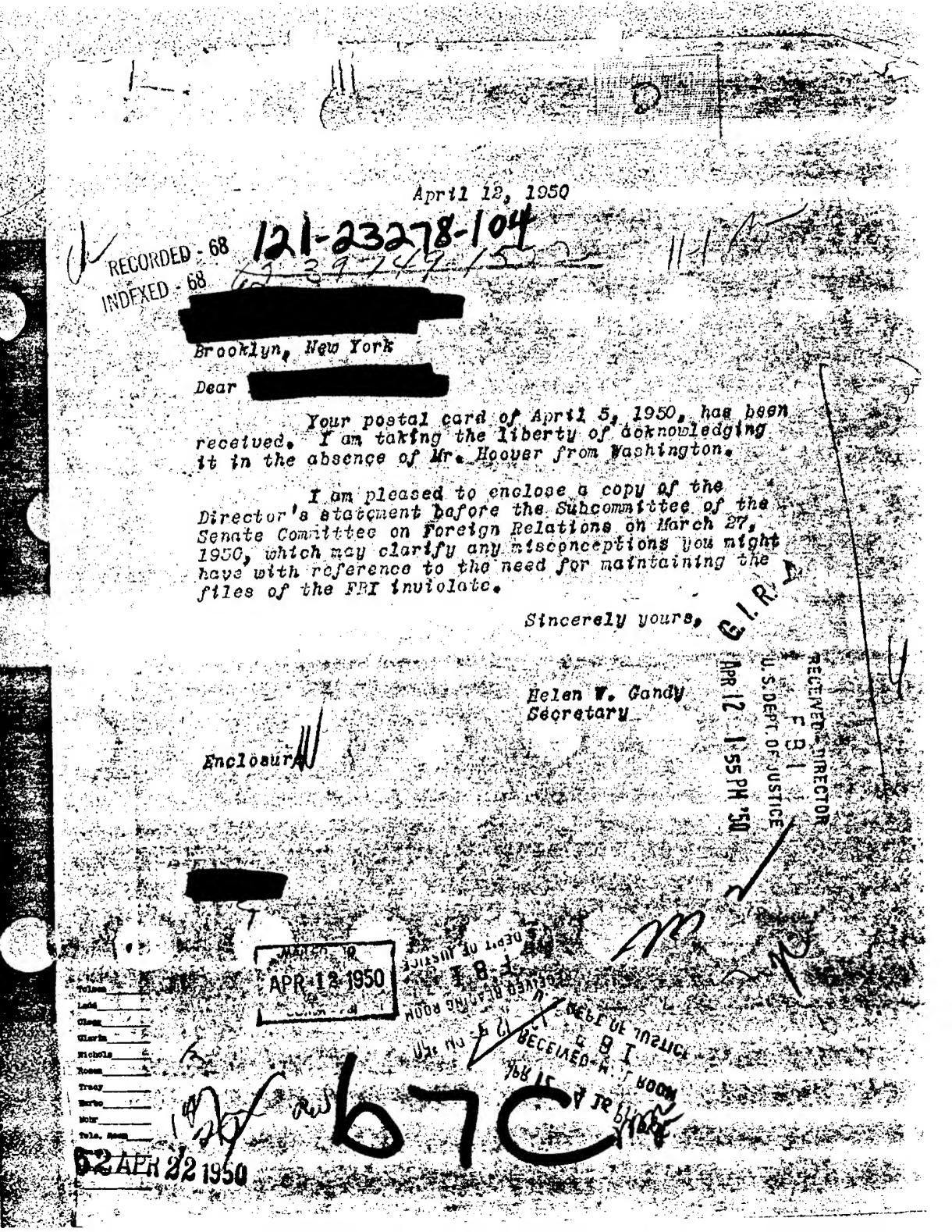
In paragraph one, pack sleven, of the proposed statement, after a ediccussion of the action haben by the Board in the cases it has reviewed, there statement to the effect that "If there are any Commission in the St locartment, the fill his not becovered them and the Loyathy Deburity

As you know, the word "Communist" covers a broad field and there are many fine distinctions to be drawn therefrom in the interests of accuracy, such as past or present membership in the Communist Party. The above quoted goment in the proposed statement could leave the impression that the State Department was placing the responsibility for its failure to dismiss various categories of undesirable employees on the FPI and therefore this comment was brought to the attention of the State Department.

On page aleven there also begins a discussion of the 81 cases cited by Sonator Josoph R. Eccarthy and in paragraph two on this page there appears the comment, "I do not know how many of those 81 cases were ever exployees of the Department, but only 38 of them ever care before the Loyalty Security Boards If the other 45 cases were employees of the Department, no derogatory information regarding thom has yet once into the possession of the FSI so as to occasion a full field investigation, unless such investigations are pending or incomplete. I nosh by this that the FBI have not passed to the Department any reports on those 45 cures." The figures quoted above are inaccurate on their face, since only al cases are involved. The Bureau, of course, does not know how many of our investigations in these cases have actually been considered by the Legalty Security Board of the State Department but it might be noted in this connection that several of the individuals involved were subjects of investigation under the provisions of Public Law 402, 80th Congress (Voice of America), in addition to those who have been investigated under the President's Loyalty Order. Furthermore, the State Department obviously knows how many of the 81 individuals have been or are presently employed by the State Department. The above-quoted comment, as it appears in the proposed statement, without apecific reference as to how many of the cases involved individuals who are or have been exployed in the State Department or elsewhere in the Executive Brough of the government bince the issuance of Executive Order 9835, leaves the impression that the FBI has been dereliet in its duties with respect to "the other 45 cases" and the State Departrent was so informed.

For your further information, the State Department representative with whom the above three comments were discussed has assured the Sureau that in each instance the material commented on by the Sureau will be deleted from the statement when given to the Senate Subcommittee by Chairman Snow of the State Department Loyalty Security Board.

I am providing the foregoing for your information so that you will be fully informed in the event Chairean Snow's statement to the Tydings Countitee receives publicity in the local press.



Dear Sir I have been a great admirer of your for a long time Jahvar feet that as long asym for a long time Jahvar feet that as long asym we had little to wary we had little to wary was about as far as Commiss were concerned. But I time not so sine about that now. I know deep in your not so sine about that now. I know deep in your heart you want to permit sen. In a Carely to do all le heart you want to permit sen. In a Carely to do all le push positives away and work with him, the push perfle if our tounty need you to work togleher, to save what is left of the I total dept.

Sincerely yours.

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TO MR. A. H. BEIMONT OF STATE DEPARTMENT REPRESENTATIVES

BEFORE THE TYDINGS COMMITTEE

LOYALTY OF GOVERNMENT EMPLOYEES

Committee

Supervisor of the WFO called at 12:15 P.M. today and advised that the first witness from the State Department before the Tydings Committee this morning was Donald Nicholson, Chief of the Division of Security, Office of Controls. Nicholson identified himself as formerly Chief of the Investigative Division of the State Department. He testified regarding investigative procedures utilized by the Department of State.

At the completion of his testimony Nicholson was asked the following question by Senator Joseph R. McCarthy: "Are there 205 card carrying Communists in the State Department?" Nicholson emphatically denied that there were any Communists employed in the Department of State. No other questions were directed to him and at the time of the call Mr. Snow, the Chairman of the Loyalty Hearing Board of the State Department, was on the witness stand. Mr. Seth Richardson was scheduled to take the stand after Mr. Snow.

The WFO was instructed to keep the Bureau advised of any pertinent comments made by these witnesses before this Committee.

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in Relations Committee

MR. A. H. BELMONT TO

MR. C. E. HOUNRICH PROM

TESTIMONY BEFORE THE TYDINGS COMMITTEE

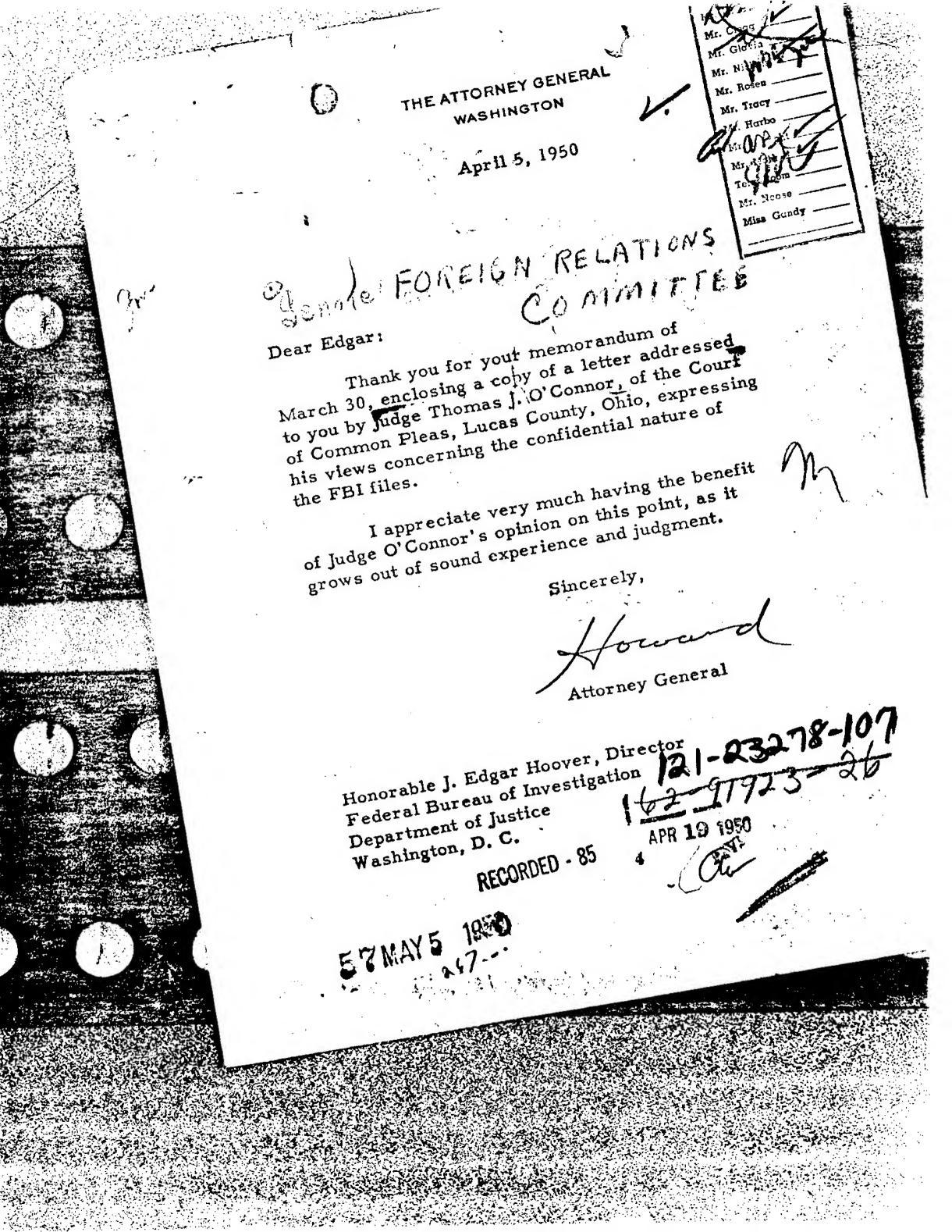
of the WFO called and At 3:35 F.M. Supervisor referred to his previous call at 12:15 P.M. today, which was reported to you in a memorandum from Mr. Laughlin.

Conrad Snow, Chairman of the State Department Loyalty Board, testified that he reviewed derogatory FBI reports and, if justified, made requests for full field investigations. Policy matters referred to him were generally not answered, and he referred the Committee to Seth Richardson.

Seth Richardson next testified and he outlined the method de handling loyalty cases by the Loyalty Board. Richardson was favorable to the Bureau in his comments but stated that in spite of the efficiency and excellent investigations conducted by the Bureau, not one case of espionage had been developed in connection with the loyalty investigations. Senator Lodge brought up the Coplon case but Richardson said that that case never came before the Loyalty Board. Another Senator mentioned the Hiss case and Richardson pointed out that the information developed in the Hiss case occurred before the Loyalty program was begun. Richardson stressed the high caliber of the men in the Loyalty Review Board. He said that he thought the Program was being handled as well as could be expected.

During the testimony of Richardson, which completed the testimony before the Subcommittee today, Senator Hickenlooper made much of the fact that the Loyalty Review Board and the Regional Boards had access to confidential FBI reports whereas the Senate Subcommittee did not.

DATE: April 5, 1950



Office Men. andum • UNITED SI TES GOVERN DIRECTOR, FBI FROM GUY HOTTEL, SAC, Washington Field. SUBJECT: SILEGATIONS BY SENATOR JOSEPH MCCARTHY REGARDING THE STATE DEPARTMENT The Sub-Committee hearing of the Foreign Relations Committee was called to order at 10:30 a.m. this date by its chairman, Senator MILLARD E. TYDINGS, Maryland. The hearing was in Senate Office Building Caucus Room No. 318. The chairman, Senator TYDINGS, stated that the purpose of the Committee hearing was to acquaint the Committee and the public with the procedure in effect at the State Department concerning the "passing on" of the loyalty of employees in the Department. He stated that it was desired that these hearings would tend to make more effective the procedural handling of such matters in the flate Department. The chairman, Senator TYDINGS called the first witness, MR. DOMALD LANICHOLSON, Chief of the Division of Security, Department of State. MR. NICHOLSON so identified himself and instating to the Committee his background, mentioned that he had formerly been a Special Agent in the Federal Burcau of Investigation. He mentioned that he had been with the Federal Bureau of Investigation for a period of four years from 1931 through 1935. Upon making that remark, the chairman, Senator TYDINGS, interrupted and stated, "I feel that your experience in the Federal Bureau of Investigation and your other experiences qualify you well for your present position in the State Department."

MR. NICHOLSON generally outlined the program of investigations by the State Department. He mentioned in particular that his division was in charge of applicant investigations in the State Department. He said that these investigations were made and that generally the applicant under consideration received an appointment of employment with the State Department prior to the determination on the part of the State Department as to whether or not the particular applicant had any derogatory record with the Federal Bureau of Investigation.

Senator BOURKE HICKENLOOPER of Iowa, interrupted

NR. NICHOLSON at this point and stated that he was of the opinion
that it would be more feasible on the part of the State Department

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if they would submit the names of their applicants to the Federal Bureau of Investigation prior to any investigation that the State; Department would make on the applicant. MR. NICHOLSON then remarked that the suggested procedure by the Senator had not been found practical because the State Department did not always have fingerprints of their applicants until after an appointment of employment was made. There was considerable discussion between the Senator and MR. NICHOLSON over this point, the Senator maintaining that he felt that it would be an advisable practice for State to submit the names of their applicants to the Federal Bureau of Investigation prior to considering them for a position in the Department. This remark prompted MR. NICHOLSON to state that he wanted the Committee to understand that the Federal Bureau of Investigation later got all information in the State Department files on any employees who would be further screened in case there was any question of a security risk on the part of the applicant involved.

MR. NICHOLSON declined to answer questions concerning the procedural handling of loyalty cases at the State Department and advised that the next witness, General CONRAD E. SNOW, the Chairman of the Loyalty Board at the State Department, would be better qualified to answer questions regarding the Loyalty Program it has at the State Department.

Senator BRIEN McMAHON of Connecticut asked MR. NICHOLSON if, to his knowledge, there were 205 card-carrying members of the Communist Party employed at the State Department. MR. NICHOLSON responded emphatically that there were none to his knowledge. Senator McMAHON said that there would be no further questions. Then MR. NICHOLSON remarked that 202 employees had separated themselves from the State Department's employ subsequent to the initiation of the Loyalty Program. He stated that their separation was either by personal choice or by action on the part of the Department of State. MR. NICHOLSON mentioned that there are approximately 5,000 investigations conducted annually on applicants at the State Department. Of this number, he stated that approximately one-half received appointments of employment.

The second witness, General CONRAD EXSNOW, was sworm in at 11:40 a.m. He identified himself and stated that he was a retired Colonel in the Department of the Army. He mentioned that

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he had served in World War I and World War II. He further advised that he was Chairman of the Loyalty Board at the Department of State. He said that he was appointed Chairman at the time the Loyalty Board was set up. General SNOW advised that he had been employed with the Department of State since 1946. He stated that his duty as Chairman of the Loyalty Board at the Department of State was to pass upon the cases who were referred to the Board after the Federal Bureau of Investigation had conducted full field investigations upon subjects in the Department.

General SNOW was particular in his description of the manner in which cases are investigated and also very detailed concerning the distinction between loyalty cases and security cases which were considered by his Board in the Department of State.

Many questions were asked General SNOW by Senator HICKENLOOPER and they chiefly concerned the practice that prevailed in screening of foreign service personnel. He indicated particular interest in the procedural method of the State Department in handling cases abroad.

The third witness, MR. SETH RICHARDSON, was sworn in at 12:25 p.m. He identified himself and stated that he was Chairman of the Civil Service Loyalty Review Board. He mentioned in his introductory remarks that he was former Assistant Attorney General throughout the HOOVER Administration and advised too that he had served for a time in the Roosevelt Administration under Attorney General HOMER CU-MINGS. MR. RICHARDSON, in response to a question by the Chairman, Senator TYDINGS, advised that he was a Republican.

The Chairman, Senator TYDINGS, emphatically brought this to the attention of the Committee as he had previously when eliciting from General SNOW the fact that he, too, had always been a Republican. Senator TYDINGS then remarked that he felt that it was a credit to the Loyalty Program that men of such caliber as MR. RICHARDSON and General SNOW could serve with distinction on the program.

MR. RICHARDSON remarked that the Loyalty Program was instituted by Executive Order 9835 in March 1947, and that the Board, of which he is Chairman, was set up in November 1947. MR. RICHARDSON indicated that his Board received, for the purpose of

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review, cases which had been considered previously by the various Department Loyalty Boards throughout the Government. MR. RICHARD-SON emphasized considerably the fact that the Loyalty Boards were not aware of the confidential sources that the Federal Bureau of Investigation used in connection with the Federal Bureau of Investigation full field investigations that were conducted on the parties involved.

MR. RICHARDSON described the functional aspects of the Loyalty Board, of which he is Chairman, and also explained the opportunities that were afforded the parties who were directly involved from an investigative standpoint in the Loyalty Program.

Senator HICKENLOOPER inquired of MR. RICHARDSON as to the political composition of the Loyalty Board and MR. RICHARDSON remarked that he felt that politically the Board was evenly divided. He mentioned in this remark he knew of one Board member who asked to be excused in order that he might run for a judgeship in his particular district on the Republican Party ticket. MR. RICHARDSON also remarked that a brother of Senator GLASS was also serving on the Loyalty Review Board and he added, "I presume that he is a Democrat."

MR. RICHARDSON stated that there were 160 Loyalty Boards throughout the United States and he stated that the membership of the various Boards was not a fixed number; that the composition of each Board was left to the discretion of the Department head.

MR. RICHARDSON emphasized that a person was not dismissed from Government service unless on the basis of all the evidence, there were reasonable grounds to believe that the party's continued service in the Government would be a security risk to the Government. He added that of the 3,000,000 cases considered by the Federal Bureau of Investigation and of the 10,000 full field investigations conducted by the Federal Bureau of Investigation, there was not one case of espionage involved. He stated that the majority of the full field investigations were the result on the part of the employee concerned with association and affiliation with subversive groups. He said that he noted, however, that during the early stages of the Loyalty Program that there was an immense increase in resignations from the various Government departments.

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and he added that perhaps there were many of these who feared an investigation by the Federal Bureau of Investigation. He said that perhaps there were many others who declined to apply for Federal positions because of fear of an investigation by the Federal Bureau of Investigation into their background.

MR. RICHARDSON pointed out that contrary to the circulated rumor at the time the Loyalty Program was put into effect, that the morale of Government service had not suffered and he added, as a matter of fact, the morale in Government service has tended to improve since the initiation of the Loyalty Program.

MR. RICHARDSON then remarked that he felt that the caliber of the members of the Loyalty Board was very good and that he felt that the Program was most constructive and beneficial to the Government.

Senator HICKEMLOOPER then announced to the Chairman, Senator TYDINGS, that he felt it most unusual that conservatively speaking the 600 members of the Loyalty Review Boards could have access to confidential reports of the Federal Bureau of Investigation and that the Sub-Committee which was inquiring into the various cases were not afforded the same opportunities. Senator HICKENLOOPER pointed out that the total number of Loyalty Review Board personnel exceeded the total number of Congressmen and Senators and that in his opinion the same opportunities were not afforded the Committees of the Legislative Branch of our Government as were afforded those who came under the Executive Branch of our Government.

The Committee had no further questions to direct to MR. RICHARDSON and when he stepped down at 1:10 p.m., the Committee hearing was adjourned until April 6, 1950, at 10:30 a.m. The Chairman, Senator TYDINGS, announced that MR. OVENALATTIMORE would be the first witness in tomorrow's hearing.

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